Additives

1. The whole business of the relaxation of the ban on additives is in a curious state of suspended animation; and the purpose of this note is to enquire whether Companies are prepared to allow it to drift on in that state or whether they would wish me on behalf of T. A. C. to take some action to clarify the situation.

2. The number of things we don't know at the moment is startling. They are outlined in the following list:-

(a) Do Customs intend to adhere to their date of 1st January 1975 for relaxation?

(b) If so, what is happening about the six month period for concept testing and three to four months for stockbuilding that were accepted as a necessary preliminary to relaxation? Concept testing, on this timetable should have begun on 1st March. It is now the end of April.

(c) We do know that authorization of concept testing has been held up because Customs and D. H. S. S. have been brooding about the health issue. But does either Department realize the effect of this brooding on the agreed timetable?

(d) The Companies have made a joint submission to Hunter on additives, recommending classification into three groups. We know that Hunter welcomed taking additives on board. We do not know how he proposes to deal with them, or when.

(e) Assuming that Hunter produces some guidance on additives within the next few months, (which he may or may not be intending to do) we do not know what form it will take, or what steps D. H. S. S. and Customs will take to see that it is adhered to in the production both of home manufactured and imported cigarettes.

3. If T. A. C. do nothing about all this, there are two plain possibilities (and several others less obvious). One is that Customs and D. H. S. S. will produce between them a situation in which the domestic industry are faced with a relaxation on 1st January 1975, having been given little or no time for concept testing and stockbuilding. The other is that the date of 1st January 1975 will be postponed. I would think that a decision in either sense might upset some Companies' plans.

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4. If it were thought desirable for T. A. C. to take some action, there are two courses we could adopt. The first is simply to press the Departments concerned (Customs, D. H. S. S. and D. I. - the last in view of the effect of a real mess on the competitive position of the domestic industry) to answer the questions at paragraph 2 above and to impress on them the commercial importance of knowing where we are going. The second course, apparently more constructive but perhaps more difficult from the point of view of securing an industry view, would be to inform the Departments of what we would like them to do, and by when.

5. I should be grateful for Companies' views on this note, which I have cleared with Sir Clifford Jarrett in view of his recent talk with Hunter, and with whom I would propose to work closely on any approach to D. H. S. S.

M. M. O. J.
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